



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Beverly Eaves Perdue, Governor
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September 5, 2012

Memorandum

To: CAP-I/DD Service Providers

From: Sandee Resnick, Accountability Team Leader
Resource & Regulatory Management Section

Subject: 2012 Medicaid Audit of CAP-I/DD Waiver Services

Between September 24, 2012 and November 9, 2012, the NC Department of Health and Human Services will conduct Medicaid audits of directly enrolled CAP-I/DD Service Providers. **It is important that you read this memorandum very carefully. Each provider's individual audit appointment date and time will be posted on the DMH/DD/SA website.**

Please keep this letter throughout the audit process for reference purposes.

**Note: All documents required to prepare for this audit event
will be posted by September 11, 2012 on the DMH/DD/SAS website:**

<http://www.ncdhhs.gov/mhddsas/providers/Audits/index.htm>

Audit Process and Components:

- **The following CAP-I/DD services will be included in the audit:**
 - ✓ **Home Supports**
 - ✓ **Supported Employment**
 - ✓ **Home and Community Supports**
 - ✓ **Day Supports**
 - ✓ **Crisis Services**
 - ✓ **Personal Care Services**
 - ✓ **Long Term Vocational Supports**
 - ✓ **Respite Services**
 - ✓ **Residential Services**



- A listing of the CAP-I/DD providers to be audited and the audit site information will be available on the website identified above.
- **For specific information on audit tools and instructions, please download the following information from our website :**
 - ✓ **CAP-I/DD Audit Tools (2).** The paid claims tool will determine Medicaid compliance related to a specific date of service and to the staff who provided the service on each date. In addition to this Medicaid compliance tool, there is an additional CAP-I/DD monitoring tool for information only purposes, related to elements of the Person Centered Plan and other Waiver requirements.
 - ✓ **CAP-I/DD Auditor Guidelines (2)**
 - ✓ **Staff Qualifications Checklist**
 - ✓ **CAP-I/DD Provider Audit List** by audit site
 - ✓ **CAP-I/DD Provider Audit List** by agency name
 - ✓ **Directions** to each audit site.
- **The following information will be sent via UPS one (1) week prior to each scheduled audit week:**
 - ✓ List of service records to be audited (this list will *not* be posted on the web). The list will include names and birth dates.
 - If you can not identify a person by the data provided, please call our office for additional identifying information (contact information is at the end of this memorandum).
- All events for the Medicaid audits will be drawn from paid claims. **Paid claims dates include services provided on any date between April 1, 2012 through July 31, 2012. Therefore, service records brought to the audit site must include required documentation that covers services delivered April 1, 2012 through July 31, 2012.**
- The CAP-I/DD audit sample will consist of fifteen (15) primary and five (5) backup service dates randomly selected per provider. A total of twenty (20) events will be identified for possible use in the audit.
- If a service event included in the audit sample was repaid to Medicaid prior to the provider's receipt of the list of records to be audited, that event will be omitted and the next numbered event from the back-up list will be substituted **if evidence of the repayment is available during the audit.**
- On the date of the audit, service records must be present at the audit site indicated on the audit schedule. All individual agencies are responsible for maintaining or arranging for the security of their records.
- Each CAP-I/DD provider must have staff persons who are familiar with agency records available at the audit site.
- **Please note: No faxes of missing service documentation or personnel information will be accepted during the audit. It is very important to bring all required documentation to the audit site.**
- Service documentation needed for the audit **must be indicative of what was current and in place for all possible dates of service from April 1, 2012 through July 31, 2012, inclusive.**



- Documentation required on-site for all services includes:
 - ✓ **Service Authorizations** for all possible dates of service.
 - ✓ **Service Orders** for all possible dates of service.
 - ✓ **Person Centered Plans** current for all possible dates of service. (Note: this could be a PCP that is prior to the current one, i.e., is not in effect now, but was at the time of the service date being reviewed.)
 - ✓ **Service Documentation** for all possible dates of service.
 - ✓ **Staff training / qualifications** in place for all possible dates of service, per the Qualifications Checklists posted on the web. This may include evidence of training that was current at the time the service was provided but may not be current at the time of the audit.
 - ✓ **Staff supervision plans and evidence of the supervision taking place** for Para-professionals and Associate Professionals providing services on any of the dates noted above.
 - ✓ Evidence that the provider agency conducted a **criminal background check** of staff person(s) providing services.
 - ✓ **Health Care Personnel Registry checks** current for all possible dates of service.
 - ✓ **Policy and Procedure Manual** including policies in effect for all possible dates of service.
 - ✓ **Legal documents related to guardianship and/or the legally responsible person** when applicable, i.e., in instances where the natural parent is not the guardian of a child, or when an adult has been adjudicated incompetent.
 - ✓ **Ensure adequate information related to the information-only Waiver Tool is available**, i.e. MR-2, Psychological Evaluation, Risk Identification Tool, evidence of psychotropic medication administration and review, etc.

Please have all items available for review at the audit site.

No faxes will be accepted at the audit site.

Additional Information from the Division of Medical Assistance (DMA):

- This is a targeted audit on a limited sample of issues identified on the Medicaid audit tools. This audit does not represent all the items or issues that may be reviewed by DMA or other entities such as the NC Attorney General's office as allowed by applicable policies, State and Federal Regulations.
- DMA Program Integrity has the authority and responsibility to expand the scope of this audit as necessary to encompass all applicable recoupment or other sanctions.

Audit Completion:

- At the completion of the record review, the audit team will leave copies of the completed Medicaid audit tools which will include those events found out of compliance. This transaction acts as informal notification of events found out of compliance. Please note that there may be revisions to the on-site findings when the audit tools are reviewed later by an audit team leader.
- **Requests for reconsideration of Medicaid audit findings are directed to the Division of Medical Assistance (DMA).** Information on the DMA process and timelines for submitting such requests will be included in the letters received in conjunction with a report of findings.
- **Out of compliance findings that represent a systemic issue may require a Plan of Correction to be submitted to the Division of MH/DD/SAS.** Information on the DMH/DD/SAS process and timelines for submitting a Plan of Correction will be included with each agency's report of findings.



Contacting Us

- If you have not already provided information via a phone call from a member of the Compliance Unit of the MH/DD/SA Accountability Team regarding the contact person for future communication about the logistics of the audit process, please provide us with that information by September 10, 2012, by contacting Belinda Beardsley at: Belinda.Beardsley@dhhs.nc.gov, (919) 981-2580 or (919) 508-0968 (FAX).
- If you have questions concerning the information in this memorandum, or anything else related to the upcoming 2012 audit event, please contact one of the following people:

Jerry Walton
(919) 981-2580 / office, 919-218-4463/cell
jerry.walton@dhhs.nc.gov

Barbara Flood
919-218-3872 / cell
barbara.flood@dhhs.nc.gov

We look forward to a successful audit.

cc: Patrick Piggott, DMA/Program Integrity
Jeff Horton, DMA/Program Integrity
Debbie Pittard, DMA/ Program Integrity
DMH/DD/SAS Executive Leadership Team (ELT)

